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**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

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**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE FISCAL YEAR ENDED MARCH 31, 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date MAR 7 9 1997

**Bruno  
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

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HOUSING AUTHORITY OF THE CITY OF SLIDELL  
 GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS  
 COMBINED BALANCE SHEET  
 MARCH 31, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
				GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
<u>ASSETS AND OTHER DEBIT</u>						
Cash	\$ 44,537	\$ 391,415	\$ -0-	\$ -0-	\$ -0-	\$ 435,952
Amounts receivable, net (NOTE 2)	1,523	49,833	-0-	-0-	-0-	51,356
Grants receivable	-0-	-0-	16,402	-0-	-0-	16,402
Due from other annual contribution contracts (NOTE 11)	144,873	4,071	-0-	-0-	-0-	148,944
Deferred charges (NOTE 3)	17,783	-0-	-0-	-0-	-0-	17,783
Land, structure and equipment	-0-	-0-	-0-	5,031,898	-0-	5,031,898
Improvements to structure	-0-	-0-	-0-	263,589	-0-	263,589
Amounts to be provided for retirement of obligations	-0-	-0-	-0-	-0-	3,236,098	3,236,098
Total assets and other debit	<u>\$208,716</u>	<u>\$445,319</u>	<u>\$16,402</u>	<u>\$5,295,487</u>	<u>\$3,236,098</u>	<u>\$9,202,022</u>

The accompanying notes are an integral part of these combined financial statements.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
 GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS  
 COMBINED BALANCE SHEET, CONTINUED  
 MARCH 31, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
				GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	GENERAL	
				\$	\$	\$	
Due to other annual contribution contracts (NOTE 11)	\$ -0-	\$ 148,944	\$ -0-	\$ -0-	\$ -0-	\$ 148,944	
Accounts payable (NOTE 4)	7,850	246,072	16,402	-0-	-0-	270,324	
Accrued liabilities (NOTE 5)	8,384	-0-	-0-	-0-	-0-	8,384	
Deposits due others	10,152	-0-	-0-	-0-	-0-	10,152	
Compensated absences payable (NOTE 7)	-0-	-0-	-0-	19,172	-0-	19,172	
Notes payable (NOTE 6)	-0-	-0-	-0-	3,216,926	-0-	3,216,926	
Deferred charges and prepaid rents	2,502	-0-	-0-	-0-	-0-	2,502	
Deferred revenues (NOTE 12)	-0-	99,330	-0-	-0-	-0-	99,330	
Other payable	670	552	-0-	-0-	-0-	1,222	
	<u>29,558</u>	<u>494,898</u>	<u>16,402</u>	<u>-0-</u>	<u>3,236,098</u>	<u>3,776,956</u>	
Total liabilities							
Investment in general fixed assets	-0-	-0-	-0-	5,295,487	-0-	5,295,487	
Fund balance (deficit)	<u>179,158</u>	<u>(49,579)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>129,579</u>	
Total equity	<u>179,158</u>	<u>(49,579)</u>	<u>-0-</u>	<u>5,295,487</u>	<u>-0-</u>	<u>5,425,066</u>	
Total liabilities and equity	<u>\$208,716</u>	<u>\$445,319</u>	<u>\$16,402</u>	<u>\$5,295,487</u>	<u>\$3,236,098</u>	<u>\$9,202,022</u>	

The accompanying notes are an integral part of these combined financial statements.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
GOVERNMENTAL FUND TYPES  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 1996

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>REVENUES</u>				
Dwelling rentals	\$108,679	-0-	-0-	\$ 108,679
Non-dwelling rentals	1,050	-0-	-	1,050
Grants and subsidies	182,674	993,436	263,589	1,439,699
Other income	98,382	-0-	-	98,382
Interest on investments	<u>1,023</u>	<u>566</u>	<u>-0-</u>	<u>1,589</u>
Total revenues	<u>391,808</u>	<u>994,002</u>	<u>263,589</u>	<u>1,649,399</u>
<u>EXPENDITURES</u>				
Administration	80,438	101,262	-0-	181,700
Tenant services	1,600	-0-	-	1,600
Utilities	44,060	-0-	-	44,060
Ordinary maintenance	79,041	-0-	-	79,041
Protective services	440	-0-	-	440
General expense	72,537	8,498	-0-	81,035
Housing assistance payments	-0-	887,433	-0-	887,433
Facilities acquisition, improvements and construction	<u>-0-</u>	<u>-0-</u>	<u>263,589</u>	<u>263,589</u>
Total expenditures	<u>278,116</u>	<u>997,193</u>	<u>263,589</u>	<u>1,538,898</u>
Excess (deficiency) of revenues over expenditures	113,692	(3,191)	-0-	110,501
Equity, beginning of year	<u>65,466</u>	<u>(46,388)</u>	<u>-0-</u>	<u>19,078</u>
Equity, end of year	<u>\$179,158</u>	<u>\$(49,579)</u>	<u>\$ -0-</u>	<u>\$ 129,579</u>

The accompanying notes are an integral part of these combined financial statements.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
 GOVERNMENTAL FUND TYPES  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN EQUITY--BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 1996

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:						
Grants and subsidies	\$182,674	\$182,674	\$ -0-	\$1,188,078	\$ 993,436	\$(194,642)
Interest on investments	860	1,023	163	-0-	566	566
Other	<u>136,658</u>	<u>208,111</u>	<u>71,453</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total revenues	<u>320,192</u>	<u>391,808</u>	<u>71,616</u>	<u>1,188,078</u>	<u>994,002</u>	<u>(194,076)</u>
Expenditures:						
Administration	89,860	80,438	9,422	101,440	101,262	178
Tenant services	10,870	1,600	9,270	-0-	-0-	-0-
Ordinary maintenance	75,900	79,041	(3,141)	-0-	-0-	-0-
Utilities	38,360	44,060	(5,700)	-0-	-0-	-0-
Protective services	3,960	440	3,520	-0-	-0-	-0-
General expense	80,670	72,537	8,133	8,498	8,498	-0-
Housing Assistance Payments	-0-	-0-	-0-	<u>1,064,748</u>	<u>887,433</u>	<u>177,315</u>
Total expenditures	<u>299,620</u>	<u>278,116</u>	<u>21,504</u>	<u>1,174,686</u>	<u>997,193</u>	<u>177,493</u>
Excess (deficiency) of revenues over expenditures	20,572	113,692	93,120	13,392	(3,191)	16,583
Equity, beginning of year	<u>65,466</u>	<u>65,466</u>	<u>-0-</u>	<u>(46,388)</u>	<u>(46,388)</u>	<u>-0-</u>
Equity, end of year	<u>\$ 85,038</u>	<u>\$179,158</u>	<u>\$ 93,120</u>	<u>\$ (32,996)</u>	<u>\$ (49,579)</u>	<u>\$ 16,583</u>

The accompanying notes are an integral part of these combined financial statements.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### NOTE 1 - Organization and Summary of Significant Accounting Policies:

#### General

The Housing Authority of the City of Slidell (the Authority) was created on March 11, 1967, and is governed by a five (5) member Board of Commissioners all appointed by the Mayor of the City of Slidell and headed by an Executive Director. The Board and Executive Director are responsible for all activities of the Authority. The Authority has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and City of Slidell.

As of March 31, 1996, the Authority had the following number of units under its management:

<u>Contract</u>	<u>Program</u>	<u>No. of Units</u>
FW-1128	PHA Owned-Country Gardens	50
FW-1128	PHA Owned-Washington Heights	76
FW-2191	Section 8 Housing Certificate Program	125
FW-2234	Section 8 Housing Voucher Program	145
Transitional Housing		<u>18</u>
		<u>414</u>

#### Basis of Presentation

The accounts of the Authority are organized on the basis of funds or account groups, each of which is considered a separate accounting entity and is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. The accompanying combined financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:

Governmental Funds

Governmental funds are those through which most governmental functions of the Authority are financed. The acquisition, use and balances of the Authority's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Authority's governmental funds:

General Fund - The general fund is used to account for the financial resources of the Low Income Housing Program administered by the Authority.

Special Revenue Funds - Special revenue funds are used by the Authority to account for the proceeds of specific revenue sources for the Section 8 Certificate and Voucher programs that are legally restricted to expenditures for specified purposes.

Capital Projects Fund

This fund accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds. Capital funds contain transactions relating to the active modernization and development programs.

Account Groups

The account group is used to establish accounting control and accountability for the Authority's general fixed assets and outstanding obligations, respectively. It is a self-balancing group of accounts that are concerned only with the measurement of financial position, not with the measurement of results of operations. The following is the Authority's account group:

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

---

NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:

General Fixed Assets Account Group - This group of accounts is established to account for fixed assets of the Authority. The fixed assets of the governmental fund are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized or reported in the general fixed assets account group.

General Long-Term Obligations Account Group - This group of accounts is established to account for long-term obligations of the Authority.

Basis of Accounting - All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., both measurable and available). Available means currently due and expected to be collected within the next twelve months. Revenues not considered available are recorded as deferred revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for vacation and sick leave and claims and judgments which are recognized when paid.

Investment earnings are recorded as earned since they are measurable and available.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of such revenues. In one, monies must be expended for the specific purpose or project before any amounts will be reimbursed to the Authority; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. Such revenues are recognized at the time of receipt or earlier if the "susceptible to accrual" criteria are met.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:

Fund Accounting

The accounts of the Authority are organized into three basic funds. A description of these funds and the accounts contained therein follows:

- o General Fund - The General Fund is used to account for all financial resources that are received and used in the provision and administering of the Low Income Housing program.
  
- o Special Revenue Funds - This fund is used to account for the activities of the Section 8 Certificate and Voucher Programs. Monies are received from the Department of Housing and Urban Development (HUD) related to housing assistance payments and certain administrative costs incurred by the Authority in administering the HUD projects.
  
- o Capital Projects Fund - This fund accounts for financial resources used for the acquisition, construction or improvement of capital facilities.

Amounts Receivable

Amounts receivable are stated at net realizable value as required by generally accepted accounting principles. It is the practice of the Authority to expense uncollectible receivables only upon approval by the Board of Commissioners under the HUD basis of accounting. At March 31, 1996 the allowance for doubtful accounts is \$3,520.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:

Due to/from

Amounts due from and due to the Annual Contribution Contracts are recorded on the books of the applicable Annual Contribution Contracts, respectively as due to/from other Annual Contribution Contracts.

Land, Structures, and Equipment

Land, structures, and equipment are recorded at cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. Maintenance and repair costs are charged against income as they are incurred. Significant renewals and betterments are capitalized. The records of the Authority do not allow for a disclosure of the major composition of land, structure and equipment. Depreciation expense has not been provided on general fixed assets.

Notes Payable

Major capital improvement projects were financed by issuing a series of short-term notes. HUD and the Authority retired these notes through Annual Contribution Contracts as if the financing were long-term. Amounts are not segregated between current and noncurrent portions as required by generally accepted accounting principles.

In September 1984, HUD suspended the sale of project notes pending an Internal Revenue Service ruling on the tax-exempt status of the notes.

Fund Balance

Fund balance is reported in the applicable annual contribution contract to indicate the amount established for a specific purpose.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Organization and Summary of Significant Accounting Policies, Continued:

Total Column on Financial Statements

The total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Cash

The Authority's cash is considered to be cash on-hand and demand deposits. The Authority may invest in primarily U.S. obligations as dictated by HUD.

Budgetary Information

Annual budgets for the special revenue funds and the general fund are adopted on an annual basis consistent with generally accepted accounting principles. The capital fund budgets are adopted on a "project-length" basis.

NOTE 2 - Amounts Receivable:

Amounts receivable as of March 31, 1996 consist of the following:

	<u>Annual Contribution Contracts</u>		
	<u>PHA Owned Program FW-1128</u>	<u>Housing Assistance Certificate Program FW-2191</u>	<u>Total</u>
Tenant accounts receivable	\$ 778	\$ -0-	\$ 778
HUD	-0-	49,833	49,833
Other (including various State and Federal sources)	<u>745</u>	<u>-0-</u>	<u>745</u>
Total amounts receivable	<u>\$1,523</u>	<u>\$49,833</u>	<u>\$51,356</u>

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 3 - Deferred Charges:**

Amount recorded as deferred charges as of March 31, 1996 represent prepaid insurance of \$17,783.

**NOTE 4 - Accounts Payable:**

Accounts payable at March 31, 1996 include the following obligations:

	<u>Annual</u>	<u>Contribution</u>	<u>Contracts</u>		
		Housing Assistance Certificate Program <u>FW-2191</u>	Housing Assistance Voucher Program <u>FW-2234</u>	Modernization and Development Program <u>Program</u>	<u>Total</u>
Vendors, contractors and other	\$7,850	\$661	\$ 661	\$16,402	\$ 25,574
HUD	<u>-0-</u>	<u>-0-</u>	<u>244,750</u>	<u>-0-</u>	<u>244,750</u>
Total accounts payable	<u>\$7,850</u>	<u>\$661</u>	<u>\$245,411</u>	<u>\$16,402</u>	<u>\$270,324</u>

**NOTE 5 - Accrued Liabilities:**

Accrued liabilities as of March 31, 1996 of \$8,384 consist of accrued taxes payable and other withholding amounts for credit union, etc.

**NOTE 6 - Notes Payable:**

In September 1984 HUD suspended the sale of project notes pending an Internal Revenue Service ruling on the tax-exempt status of the notes. Project notes which matured were accordingly converted to permanent notes. Debt Service is provided by HUD in accordance with the annual contribution contract with the Authority. However, debt service annual contributions ceased as of April 1, 1986.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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NOTE 6 - Notes Payable, Continued:

Under the provisions of the Housing and Community Development Reconciliation Amendments of 1985 (P.L. 99-272) enacted April 7, 1986), the Secretary of Housing and Urban Development was authorized to forgive the outstanding principal and interest on loans made by the Secretary to Public Housing Agencies. The amount of forgiveness is limited to loans held by HUD which were to be repaid using annual contributions.

The amendment requires the forgiveness of project debt to HUD after a debt forgiveness amendment to the consolidated annual contribution contract has been executed by HUD and the PHA/IHA, and after the Actual Development Cost Certificate or Actual Modernization Cost Certificate has been included in an audit and approved.

An amendment to the annual contribution contract has been executed in accordance with the requirements of P.L. 99-272.

The Authority's fixed liabilities consist of the following:

Permanent notes payable to HUD--These notes have an indefinite maturity and are payable by HUD through the PHA's annual contribution contract.	<u>\$3,216,926</u>
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NOTE 7 - Compensated Absences Payable:

The Authority has established a policy (in accordance with State Civil Service) to pay each employee their accrued annual leave upon termination up to a maximum of 300 hours. The cost of current leave privileges computed in accordance with GASB codification Section C60, is recognized as a current year expenditures in the governmental fund when leave is actually taken or when employees or heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring resources is recorded in the general long-term obligations account group.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED

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NOTE 8 - Actual Modernization Costs:

All costs shown in the Statement of Modernization Costs as filed with HUD in the amount of \$1,587,953 could not be verified and the distribution by major cost accounts is not in agreement with the Authority's records (See Findings XI, XIII and XIV).

NOTE 9 - Employee Retirement Plan:

The Authority has two (2) retirement plans which cover all full-time employees after one (1) year of service.

The Authority has a deferred compensation plan through a private insurer in which employees may elect to contribute toward the purchase of a non-forfeitable annuity.

The Authority also has a retirement plan through a private insurer in which the Authority may contribute up to a maximum of fifteen (15) percent (15%) of the salaries paid to eligible employees. The total contribution for the year-ended March 31, 1996 amounted to \$4,381.

NOTE 10 - Risk Management:

The Authority is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; for which the Authority carries commercial insurance except for theft. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 11 - Due from/to Other Annual Contribution Contracts:**

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Housing Assistance voucher Program FW-2234	\$ 76,790	\$ 4,071
Housing Assistance Certificate Program FW-2191	68,083	-0-
Housing Assistance Certificate Program FW-2191	4,071	68,083
PHA Owned Program FW-1128	<u>-0-</u>	<u>76,790</u>
Total	<u>\$148,944</u>	<u>\$148,944</u>

**NOTE 12 - Deferred Revenues:**

Deferred revenues of \$99,330 at March 31, 1996, represent resources received by the Authority before it has a legal claim to them.

**NOTE 13 - Deficit Fund Balance:**

The special revenue fund has a fund deficit of \$49,579 at March 31, 1996. It is managements intent to develop a plan of action to address the deficit through improvement in the number of leased-up units and cost containment.

**SUPPLEMENTARY INFORMATION--EXHIBITS**

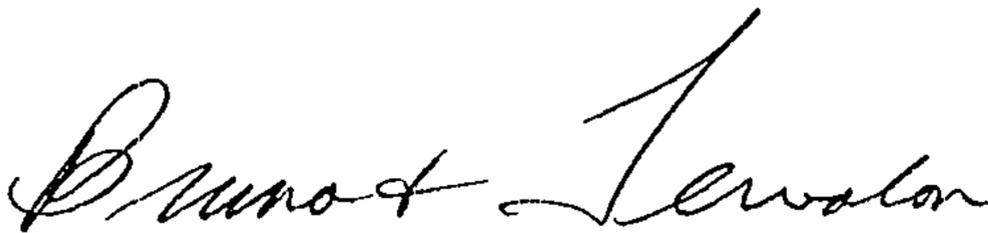
**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

Board of Commissioners  
Housing Authority of the City of Slidell  
New Orleans, Louisiana 70130

Our report on our audit of the combined financial statements of the Housing Authority of the City of Slidell (the Authority) appears on page 1. That audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole.

The supplementary information (Exhibits)-which are prepared in accordance with generally accepted accounting principles, has been subjected to the procedures applied in the audit of the combined financial statements and in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

The supplementary information (Schedules-HUD basis) which are prepared on a Comprehensive Basis of Accounting other than generally accepted accounting principles, has been subjected to the procedures applied in the audit of the combined financial statements and, in our opinion, except for differences in fund accounting, facilities acquisition and/or construction, prior year adjustment and receipt of federal funds presentation in accordance with HUD prescribed practices, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 23, 1996

EXHIBIT A

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 1996

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	HOUSING ASSISTANCE CERTIFICATE PROGRAM <u>FW-2191</u>	HOUSING ASSISTANCE VOUCHER PROGRAM <u>FW-2234</u>	TOTAL (MEMORANDUM ONLY) <u>                    </u>
<u>ASSETS</u>			
Cash	\$39,674	\$351,741	\$391,415
Amounts receivable	49,833	-0-	49,833
Due from other annual contribution contracts	<u>4,071</u>	<u>-0-</u>	<u>4,071</u>
	<u>\$93,578</u>	<u>\$351,741</u>	<u>\$445,319</u>
 <u>LIABILITIES AND EQUITY</u>			
Due to other annual contribution contracts	\$ 68,083	\$ 80,861	\$148,944
Accounts payable	661	245,411	246,072
Deferred revenues	42,535	56,795	99,330
Other payables	<u>-0-</u>	<u>552</u>	<u>552</u>
Total liabilities	<u>111,279</u>	<u>383,619</u>	<u>494,898</u>
Equity	<u>(17,701)</u>	<u>(31,878)</u>	<u>(49,579)</u>
Total liabilities and equity	<u>\$ 93,578</u>	<u>\$351,741</u>	<u>\$445,319</u>

The accompanying notes are an integral part of these exhibits.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 1996**

	<u>HOUSING ASSISTANCE CERTIFICATE PROGRAM FW-2191</u>	<u>HOUSING ASSISTANCE VOUCHER PROGRAM FW-2234</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>REVENUES</u>			
Grants	\$538,680	\$454,756	\$993,436
Interest on investments	<u>566</u>	<u>-0-</u>	<u>566</u>
Total revenues	<u>539,246</u>	<u>454,756</u>	<u>994,002</u>
<u>EXPENDITURES</u>			
Administration	44,693	56,569	101,262
General expenses	3,730	4,768	8,498
Housing assistance payments	<u>486,369</u>	<u>401,064</u>	<u>887,433</u>
Total expenditures	<u>534,792</u>	<u>462,401</u>	<u>997,193</u>
Excess (deficiency) of revenues over expenditures	<u>4,454</u>	<u>(7,645)</u>	<u>(3,191)</u>
Equity, beginning of year	(22,155)	(24,233)	(46,388)
Equity, end of year	<u>\$(17,701)</u>	<u>\$(31,878)</u>	<u>\$(49,579)</u>

The accompanying notes are an integral part of these exhibits.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN EQUITY--BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED MARCH 31, 1996**  
**FW-2191**

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES</u>			
Grants	\$510,010	\$538,680	\$ 28,670
Interest on investments	<u>-0-</u>	<u>566</u>	<u>566</u>
Total revenues	<u>510,010</u>	<u>539,246</u>	<u>29,236</u>
<u>EXPENDITURES</u>			
Administration	44,532	44,693	(1,161)
General expense	3,730	3,730	-0-
Housing assistance payments	<u>453,528</u>	<u>486,369</u>	<u>(32,841)</u>
Total expenditures	<u>501,790</u>	<u>534,792</u>	<u>(33,002)</u>
Excess of revenues over expenditures	<u>8,220</u>	<u>4,454</u>	<u>(3,766)</u>
Equity, beginning of year	<u>(22,155)</u>	<u>(22,155)</u>	<u>-0-</u>
Equity, end of year	<u>\$(13,935)</u>	<u>\$(17,701)</u>	<u>\$(3,766)</u>

The accompanying notes are an integral part of these exhibits.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN EQUITY--BUDGET AND ACTUAL, CONTINUED**  
**FOR THE YEAR ENDED MARCH 31, 1996**  
**FW-2234**

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	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUE</u>			
Grant	\$ <u>678,068</u>	\$ <u>454,756</u>	\$( <u>223,312</u> )
Total revenue	<u>678,068</u>	<u>454,756</u>	<u>(223,312)</u>
<u>EXPENDITURES</u>			
Administration	56,908	56,569	339
General expense	4,768	4,768	-0-
Housing assistance payments	<u>611,220</u>	<u>401,064</u>	<u>210,156</u>
Total expenditures	<u>672,896</u>	<u>462,401</u>	<u>210,495</u>
Excess (deficiency) of revenue over expenditures	<u>5,172</u>	<u>(7,645)</u>	<u>(12,817)</u>
Equity, beginning of year	<u>(24,233)</u>	<u>(24,233)</u>	<u>-0-</u>
Equity, end of year	\$( <u>19,061</u> )	\$( <u>31,878</u> )	\$( <u>12,817</u> )

The accompanying notes are an integral part of these exhibits.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGES IN EQUITY--BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED MARCH 31, 1996**  
**FW-1128**

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUE</u>			
Grant:	\$291,512	\$263,589	\$(27,923)
Total revenue	<u>291,512</u>	<u>263,589</u>	<u>(27,923)</u>
 <u>EXPENDITURES</u>			
Management improvements	27,626	27,626	-0-
Fees and costs	15,997	15,715	282
Site improvement	181,552	181,552	-0-
Dwelling structures	22,532	22,532	-0-
Dwelling equipment	21,046	6,605	-0-
Relocation costs	-0-	-0-	14,441
Administration	100	-0-	100
Non-dwelling structure	2,842	2,842	-0-
Non-dwelling equipment	<u>19,817</u>	<u>6,717</u>	<u>13,100</u>
Total expenditures	<u>291,512</u>	<u>263,589</u>	<u>27,923</u>
Excess (deficiency) of revenue over expenditures	-0-	-0-	-0-
Equity, beginning of year	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Equity, end of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of these exhibits.

**SUPPLEMENTARY INFORMATION--SCHEDULES**

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING BALANCE SHEET--HUD BASIS

ALL ANNUAL CONTRIBUTION CONTRACTS

MARCH 31, 1996

	PHA Owned Program FW-1128	Housing Assistance Certificate Program FW-2191	Housing Assistance Voucher Program FW-2234	Total (Memorandum Only) <u>1996</u>
<u>ASSETS</u>				
Cash	\$ 44,537	\$39,674	\$351,741	\$ 435,952
Amounts receivable	5,043	49,833	-0-	54,876
Due from other Annual Contribution Contracts	144,873	4,071	-0-	148,944
Deferred charges	17,783	-0-	-0-	17,783
Land, structures and equipment	<u>5,290,054</u>	<u>3,738</u>	<u>1,695</u>	<u>5,295,487</u>
Total assets	<u>\$5,502,290</u>	<u>\$97,316</u>	<u>\$353,436</u>	<u>\$5,953,042</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING BALANCE SHEET--HUD BASIS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

MARCH 31, 1996

	PHA Owned Program FW-1128	Housing Assistance Certificate Program FW-2191	Housing Assistance Voucher Program FW-2234	Total (Memorandum (Only) 1996
<u>LIABILITIES AND SURPLUS</u>				
Due to other Annual				
Contribution Contracts	\$ -0-	\$ 68,083	\$ 80,861	\$ 148,944
Accounts payable	7,850	661	245,411	253,922
Accrued liabilities	8,384	-0-	-0-	8,384
Tenant security deposits	10,152	-0-	-0-	10,152
Deferred charges and prepaid rents	2,502	-0-	-0-	2,502
Prepaid annual contribution	-0-	42,535	56,795	99,330
Other payable	670	-0-	552	1,222
Fixed liabilities	<u>3,216,926</u>	<u>-0-</u>	<u>-0-</u>	<u>3,216,926</u>
Total liabilities	3,246,484	111,279	383,619	3,741,382
Surplus	<u>2,255,806</u>	<u>(13,963)</u>	<u>(30,183)</u>	<u>2,211,660</u>
Total liabilities and surplus	<u>\$5,502,290</u>	<u>\$ 97,316</u>	<u>\$353,436</u>	<u>\$5,953,042</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING STATEMENT OF INCOME AND EXPENSES--HUD BASIS

ALL ANNUAL CONTRIBUTION CONTRACTS

FOR THE YEAR ENDED MARCH 31, 1996

	PHA Owned Program FW-1128	Housing Assistance Certificate Program FW-2191	Housing Assistance Voucher Program FW-2234	Total (Memorandum Only) 1996
Operating income:				
Dwelling rental	\$ 108,678	\$ -0-	\$ -0-	\$ 108,678
Non-dwelling	<u>1,050</u>	<u>-0-</u>	<u>-0-</u>	<u>1,050</u>
Total operating income	<u>109,728</u>	<u>-0-</u>	<u>-0-</u>	<u>109,728</u>
Operating expenses:				
Administration	80,438	44,693	56,569	181,700
Tenant services	1,600	-0-	-0-	1,600
Utilities	44,060	-0-	-0-	44,060
Ordinary maintenance	79,041	-0-	-0-	79,041
Protective services	440	-0-	-0-	440
General expense	69,017	3,730	4,768	77,515
Housing assistance payments	<u>-0-</u>	<u>486,369</u>	<u>401,064</u>	<u>887,433</u>
Total operating expenses	<u>274,596</u>	<u>534,792</u>	<u>462,401</u>	<u>1,271,789</u>
Net operating deficit before other income, charges and credits	<u>(164,868)</u>	<u>(534,792)</u>	<u>(462,401)</u>	<u>(1,162,061)</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING STATEMENT OF INCOME AND EXPENSES--HUD BASIS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

FOR THE YEAR ENDED MARCH 31, 1996

Other income:						
Interest on general fund investments	\$ 1,023	\$ 566	\$ -0-	\$ 1,589		
Other income	98,382	-0-	-0-	98,382		
Grants and subsidies	<u>429,861</u>	<u>539,680</u>	<u>454,756</u>	<u>1,423,297</u>		
Total other income	<u>529,266</u>	<u>539,246</u>	<u>454,756</u>	<u>1,523,268</u>		
Net income (loss)	364,398	4,454	(7,645)	361,207		
Surplus--Beginning of year	1,891,408	(18,950)	(22,638)	1,849,820		
Other changes	<u>-0-</u>	<u>533</u>	<u>100</u>	<u>633</u>		
Surplus--End of year	<u>\$2,255,806</u>	<u>\$(13,963)</u>	<u>\$ (30,183)</u>	<u>\$2,211,660</u>		

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING ANALYSIS OF SURPLUS--HUD BASIS

ALL ANNUAL CONTRIBUTION CONTRACTS

For the Year Ended March 31, 1996

	Annual Contribution Contracts				Total (Memorandum Only)
	PHA Owned Program FW-1128	Housing Assistance Certificate Program FW-2191	Housing Assistance Voucher Program FW-2234		
<u>Unreserved Surplus</u>					
Balance per prior audit March 31, 1995	\$ (3,309,529)	\$ (5,013,692)	\$ (5,786,072)		\$ (14,109,293)
Prior period adjustments recorded in current year	-0-	611	100		711
Deficit for year ended March 31, 1996 (Provision for) reduction of operating reserve for year ended March 31, 1996 (Provision for) reduction of project account for year ended March 31, 1996	(65,463)  (113,860)	(534,226)  -0-	(462,401)  -0-		(1,062,090)  (113,860)
	<u>-0-</u>	<u>138,816</u>	<u>(502,633)</u>		<u>(363,817)</u>
Balance, March 31, 1996	<u>(3,488,852)</u>	<u>(5,408,491)</u>	<u>(6,751,006)</u>		<u>(15,648,349)</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING ANALYSIS OF SURPLUS--HUD BASIS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

For the Year Ended March 31, 1996

	<u>Annual Contribution Contracts</u>				<u>Total (Memorandum Only)</u>
	<u>PHA Owned Program FW-1128</u>	<u>Housing Assistance Certificate Program FW-2191</u>	<u>Housing Assistance Voucher Program FW-2234</u>	<u>Housing Assistance</u>	
<u>Reserved Surplus-Operating Reserve</u>					
Balance per prior audit	\$ 91,310	\$ 78	\$ -0-	\$ -0-	\$ 91,388
Prior year adjustments recorded in current year	-0-	(78)	-0-	-0-	(78)
Provision for (reduction of) operating reserve for the year ended March 31, 1996	<u>113,860</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>113,860</u>
Balance, March 31, 1996	<u>205,170</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>205,170</u>
<u>Reserved Surplus-Project Account</u>					
Balance per prior audit	-0-	1,212,854	2,397,751		3,610,605
Prior year adjustments recorded in current year					
Provision for (reduction of) project account for year ended March 31, 1996	<u>-0-</u>	<u>(138,816)</u>	<u>502,633</u>		<u>363,817</u>
Balance, March 31, 1996	<u>-0-</u>	<u>1,074,038</u>	<u>2,900,384</u>		<u>3,974,422</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
COMBINING ANALYSIS OF SURPLUS--HUD BASIS, CONTINUED

ALL ANNUAL CONTRIBUTION CONTRACTS

For the Year Ended March 31, 1996

	Annual Contribution Contracts				Total (Memorandum Only)
	PHA Owned Program FW-1128	Housing Assistance Certificate Program FW-2191	Housing Assistance Voucher Program FW-2234		
<u>Cumulative HUD Contribution</u>					
Balance per prior audit					
March 31, 1995	\$ 3,521,674	\$ 3,781,810	\$ 3,365,683		\$10,669,167
Operating subsidy for					
year ended March 31,	182,674	-0-	-0-		182,674
1996					
<u>Annual contribution earned</u>					
for the year ended					
March 31, 1996	-0-	538,680	454,756		993,436
Balance, March 31, 1996	3,704,348	4,320,490	3,820,439		11,845,277
<u>Cumulative HUD Development</u>					
<u>and Modernization Grants</u>					
Balance per prior audit					
March 31, 1995	1,587,953	-0-	-0-		1,587,953
Grants earned for the					
year ended March 31,	247,187	-0-	-0-		247,187
1996					
Balance, March 31, 1996	1,835,140	-0-	-0-		1,835,140
Total surplus	\$ 2,255,806	\$ (13,963)	\$ (30,183)		\$ 2,211,660

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF SLIDELL

ANALYSIS OF GENERAL FUND CASH BALANCE--HUD BASIS  
ALL ANNUAL CONTRIBUTION CONTRACTS

For the Year Ended March 31, 1996

	<u>Annual Contribution Contracts</u>			<u>Total (Memorandum Only)</u>
	<u>PHA Owned Program FW-1128</u>	<u>Housing Assistance Certificate Program FW-2191</u>	<u>Housing Assistance Voucher Program FW-2234</u>	
<u>Composition before Adjustments</u>				
Net operating receipts retained:				
Operating reserve (deficit)	\$205,170	\$(17,701)	\$(31,978)	\$155,491
Security deposit	<u>10,152</u>	<u>-0-</u>	<u>-0-</u>	<u>10,152</u>
	<u>215,322</u>	<u>(17,701)</u>	<u>(31,978)</u>	<u>165,643</u>
<u>Adjustments</u>				
Accounts payable	7,850	68,744	326,824	403,418
Other	957	-0-	100	1,057
Accrued liabilities	<u>8,384</u>	<u>-0-</u>	<u>-0-</u>	<u>8,384</u>
	<u>17,191</u>	<u>68,744</u>	<u>326,924</u>	<u>412,859</u>
Less Income not received:				
Accounts receivable	<u>149,916</u>	<u>53,904</u>	<u>-0-</u>	<u>203,820</u>
	<u>149,916</u>	<u>53,904</u>	<u>-0-</u>	<u>203,820</u>
Deferred charges and prepaid rents	17,783	-0-	-0-	17,783
Other	20,277	-0-	-0-	20,277
Deferred revenues	<u>-0-</u>	<u>42,535</u>	<u>56,795</u>	<u>99,330</u>
General fund cash	<u>\$ 44,537</u>	<u>\$ 39,674</u>	<u>\$351,741</u>	<u>\$435,952</u>

The accompanying notes are an integral part of this schedule.

**SCHEDULE V**

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

COMPUTATION OF RESIDUAL RECEIPTS--HUD BASIS  
PHA OWNED PROGRAM

ANNUAL CONTRIBUTION CONTRACT FW-1128

For the Year Ended March 31, 1996

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Computation of Residual Receipts

<u>Operating receipts</u>	
Operating income	\$ 109,729
Other income	99,405
Contribution earned--operating subsidy	<u>182,674</u>
Total operating receipts	<u>391,808</u>
<u>Operating and capital expenditures</u>	
Operating expenses	274,596
Replacement of non-expendable equipment	<u>3,352</u>
Total operating and capital expenditures	<u>277,948</u>
Residual receipts from operation	\$ <u>113,860</u>
Residual receipts per audit	\$ 113,860
Less audit adjustments, net	<u>(112,363)</u>
Residual receipts before provision for reserve per PHA	1,497
Provision for operating reserve per PHA	<u>(1,497)</u>
Residual receipts per PHA	\$ <u>-0-</u>

The accompanying notes are an integral part of this schedule.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT--OPERATING RESERVE CHANGES--HUD BASIS

HOUSING ASSISTANCE CERTIFICATE PROGRAM

ANNUAL CONTRIBUTION CONTRACT FW-2191

For the Year Ended March 31, 1996

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Maximum Contribution Available

Maximum annual contribution	\$ 399,864
Project account balance at beginning of fiscal year	<u>1,212,854</u>
Total annual contribution available	<u>\$1,612,718</u>

Annual Contribution Required

Administrative fee	\$ 52,216
Housing assistance payments	486,369
Project receipts other than annual contribution	(566)
Audit fees	<u>661</u>
Total annual contribution required	<u>\$ 538,680</u>

Project Account Change

Provision for project account	<u>\$ 138,816</u>
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Annual Contribution Earned--lesser of  
contribution available or contribution  
required

\$ 538,680

The accompanying notes are an integral part of this schedule.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT--OPERATING RESERVE CHANGES--HUD BASIS, CONTINUED

HOUSING ASSISTANCE CERTIFICATE PROGRAM

ANNUAL CONTRIBUTION CONTRACT FW-2191

For the Year Ended March 31, 1996

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Operating Reserve Change

Operating receipts

Operating income	\$ 566
Annual contribution earned	<u>538,680</u>

Total operating receipts	<u>539,246</u>
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Operating expenditures

Operating expenses	<u>534,792</u>
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Total operating expenditures	<u>534,792</u>
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Net operating receipts available	4,454
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Cash donations to operating reserve	533
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Deficit at beginning of year	<u>(22,688)</u>
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Deficit at end of year	<u>\$(17,701)</u>
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Reduction of (provision for) operating reserve	\$ <u>-0-</u>
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The accompanying notes are an integral part of this schedule.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT--OPERATING RESERVE CHANGES--HUD BASIS**

**HOUSING ASSISTANCE VOUCHER PROGRAM**

**ANNUAL CONTRIBUTION CONTRACT FW-2234**

**For the Year Ended March 31, 1996**

**Maximum Contribution Available**

Maximum annual contribution	\$ 957,389
Project account balance at beginning of fiscal year	<u>2,397,751</u>
Total annual contribution available	<u>\$3,355,140</u>

**Annual Contribution Required**

Administrative fee	53,031
Housing assistance payments	401,064
Audit fees	<u>661</u>
Total annual contribution required	<u>\$ 454,756</u>

**Project Account Change**

Provision for project account	<u>\$ 502,633</u>
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**Annual Contribution Earned--lesser of  
contribution available or contribution  
required**

\$ 454,756

The accompanying notes are an integral part of this schedule.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND  
PROJECT ACCOUNT--OPERATING RESERVE CHANGES--HUD BASIS, CONTINUED

HOUSING ASSISTANCE VOUCHER PROGRAM

ANNUAL CONTRIBUTION CONTRACT FW-2234

For the Year Ended March 31, 1996

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Operating Reserve Change

Operating receipts

Annual contribution earned \$ 454,756

Total operating receipts 454,756

Operating expenditures

Operating expenses 462,401

Total operating expenditures 462,401

Net operating receipts available (7,645)

Deficit at beginning of year (24,333)

Deficit at end of year \$ (31,978)

Reduction of (provision for) operating  
reserve \$ -0-

The accompanying notes are an integral part of this schedule.

SCHEDULE VIII

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

RECONCILIATION OF MODERNIZATION FUNDS ADVANCED WITH COSTS--INCOMPLETE

ANNUAL CONTRIBUTION CONTRACT FW-1128

For the Year Ended March 31, 1996

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	<u>LA-048103902</u>	<u>LA-048103903</u>	<u>Total</u>
Funds approved	\$ 1,587,953	\$379,960	\$ 1,967,913
Funds expended	<u>1,587,953</u>	<u>247,187</u>	<u>1,835,140</u>
Excess (deficiency) of funds approved	\$ <u>-0-</u>	\$ <u>132,773</u>	\$ <u>132,773</u>
Funds advanced: Grant funding	\$ <u>1,587,953</u>	\$ <u>247,187</u>	\$ <u>1,835,140</u>
Total funds advanced	1,587,953	247,187	1,835,140
Funds expended	<u>(1,587,953)</u>	<u>247,187)</u>	<u>(1,835,140)</u>
Excess (deficiency) of funds available	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE IX

HOUSING AUTHORITY OF THE CITY OF SLIDELL  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

ALL FUND SOURCES

FOR THE YEAR ENDED MARCH 31, 1996

	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Grant Revenue</u>	<u>Expenses and Authorized Expenditures</u>
Program funded by the U.S. Department of Housing and Urban Development (HUD):				
<u>Subject to Annual Contribution Contracts</u>				
PHA Owned Housing	14.850	FW-1128	\$ 182,674	\$ 274,596
*Existing Housing Assistance Program	14.857	FW-2191	538,680	534,792
*Voucher Program	14.855	FW-2234	454,756	462,401
Modernization and Development Program	14.850	FW-1128	<u>247,187</u>	<u>247,187</u>
Total annual contribution contracts			<u>\$1,423,297</u>	<u>\$1,518,976</u>

\*Denotes major program

The accompanying notes are an integral part of this schedule.

**& Tervalon**

MICHAEL B. BRUNO, CPA  
ALCIDE J. TERVALON, JR., CPA  
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF THE COMBINED FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana

We have audited the combined financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1996, and have issued our report thereon dated December 23, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget (OMB) Circular A-128 Audits of State and Local Governments and OMB's Compliance Supplement for Single Audits of State and Local Governments. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF THE COMBINED FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the combined financial statements of the Authority for the year ended March 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

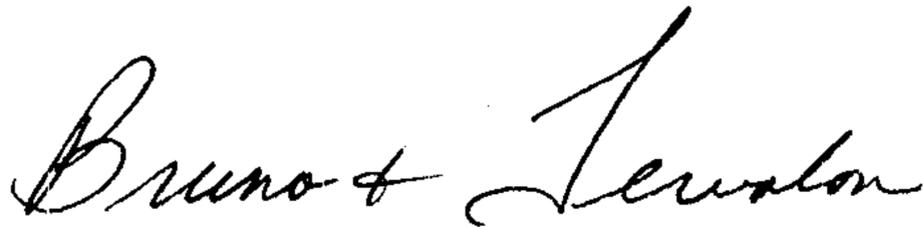
We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the combined financial statements (See Schedule of Reportable Conditions).

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the combined financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF THE COMBINED FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as previously defined. However, we believe none of the reportable conditions described in the Schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 23, 1996

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL  
CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS  
(CONTINUED)

In planning and performing our audit for the year ended March 31, 1996, we considered the internal control structure of the Authority in order to determine our auditing procedures for the purpose of expressing our opinions on the combined financial statements and on the compliance of the Authority with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the combined financial statements in a separate report dated December 23, 1996.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and that federal assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL  
CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS  
(CONTINUED)

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

GENERAL REQUIREMENTS

- |   |                                   |
|---|-----------------------------------|
| o Political Activity                                  | o Federal Financial Reports       |
| o Davis-Bacon Act                                     | o Allocable Costs/Cost Principles |
| o Civil Rights  | o Drug-free Workplace Act         |
| o Cash Management                                     | o Administrative Requirements     |
| o Relocation Assistance and Real Property Acquisition | o American Disabilities Act       |

SPECIFIC REQUIREMENTS

- |  |               |
|--|---------------|
| o Types of Services Allowed or not Allowed | o Eligibility |
|  | o Reporting   |

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended March 31, 1996 the Authority expended 66% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Authority's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

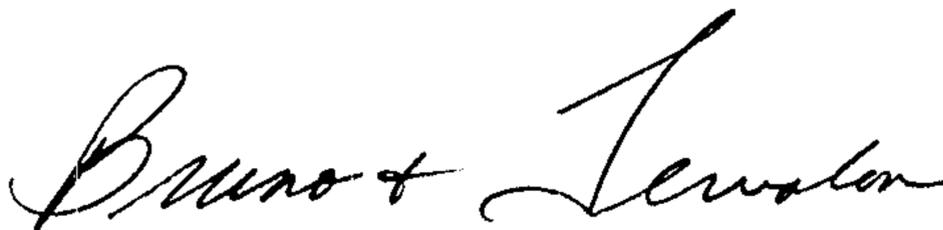
INDEPENDENT AUDITORS' REPORT ON THE INTERNAL  
CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS  
(CONTINUED)

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. (See Schedule of Reportable Conditions) Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level of the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the Schedule of Reportable Conditions is a material weakness.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 23, 1996

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SCHEDULE OF REPORTABLE CONDITIONS**

---

o **CASH MANAGEMENT AND FORECASTING**

Condition

The Authority's current cash forecasting and management procedure for its Section 8 programs does not facilitates the minimization of excess funds requisitioning.

At March 31, 1996, amount due HUD for excess funds approximates \$223,000.

Recommendation

We recommend that the Authority evaluate the current system to incorporate procedures that will ensure the periodic and timely review of the cash forecasting process in comparison to leased up units.

Management's Response

The Authority realizes that our estimated lease-up is behind our projection. At the end of the fiscal year, it is our intent to reconcile and make a settlement to HUD. Additionally, for our next fiscal year we will be more realistic regarding our lease-up schedule and hopefully we can adhere to our projected schedule.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

---

### o RECONCILIATION OF RENTAL REGISTER AND SECURITY DEPOSIT LEDGER TO THE GENERAL LEDGER

#### Condition

At March 31, 1996 the amounts reflected on the Authority's general ledger as accounts receivable from tenants (occupied and unoccupied units) was \$778.00. However, our review of the Rental Register and Security Deposit ledger reflects an amount of \$1,994.50 for both Country Garden and Washington Heights.

#### Recommendation

We recommend that the Rental and Security Deposit Registers should be reconciled monthly to the general ledger and all exceptions resolved.

This process is particularly important in light of the degree and level of segregation of duties that currently exists at the Authority.

#### Management's Response

We concur with this observation. Beginning January 1, 1997, the Rental Register and Security Deposit ledger are being reconciled to the general ledger. Software to accommodate this procedure will be installed and fully operational by April 1, 1997, however, until that time it will be reconciled manually.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

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### o UNIDENTIFIED ACCOUNTS RECEIVABLES

#### Condition

Our review revealed various immaterial amounts reflected on the general ledger of the Authority as receivables totaling approximately \$4,266 for which the Authority is unable to identify from whom the amounts are due and validity of such.

#### Recommendation

We recommend that all unidentified amounts should be reviewed and the necessary adjustment(s), if any, (in accordance of board policy) undertaken.

#### Management's Response

The staff is presently assessing our accounts receivables. Every effort will be made to collect and if not possible, we will seek approval from the Board to write-off as an uncollectible debt. The staff will complete our assessment by the end of April, 1997.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

---

### o UNLOCATED CASH DISBURSEMENT DOCUMENT

#### Condition

The Authority was unable to make available at our request cash disbursement records for the Voucher and Certificate programs covering the period April 1996 through July 1996.

In addition, no documents were made available to us to support expenditures for travel by board members (\$4,698.75); 941 tax deposits (for the months of April through August 1996) of \$21,510 and payment for insurance coverage (\$18,139).

#### Recommendation

We recommend that all documents supporting expenditures incurred be located and filed accordingly. Furthermore, the Authority should evaluate its current document flow process with an aim toward minimizing the above condition.

#### Management's Response

The Authority concurs that we have had a record-keeping system that was not centralized and uniform. However, we have corrected this problem to some extent. All financial records for all programs are centrally maintained and on a monthly basis reviewed by the Director.

Additionally, we have requested back-up documentation for all travel advances and expenditures. Until travel settlements are made by all travelers, it will be shown as a receivable. Again our impending use of accounting software should eliminate this finding for the next audit period.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## SCHEDULE OF REPORTABLE CONDITIONS, CONTINUED

---

### o TAGGING AND ACCOUNTING FOR PROPERTY AND EQUIPMENT

#### Condition

Our review and discussion with management, reveals the lack of an established procedure to ensure the tagging and accounting for all property and equipment.

#### Recommendation

We recommend that management establish a procedure to ensure the periodic physical count of property and equipment. In addition, management should consider the tagging of all equipment within an established dollar threshold.

#### Management's Response

All property of the Slidell Housing Authority will be tagged and inventoried by April 1, 1997. Impending use of inventory software should eliminate this finding for the next audit period.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS  
BASED ON AN AUDIT OF THE COMBINED FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana

We have audited the combined financial statements of the Housing Authority of the City of Slidell (the Authority) as of and for the year ended March 31, 1996 and have issued our report thereon dated December 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and provisions of the Office of Management and Budget (OMB), Circular A-128 Audits of State and Local Governments and OMB's Compliance Supplement for Single Audits of State and Local Governments. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the combined financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the combined financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS  
BASED ON AN AUDIT OF THE COMBINED FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

The results of our tests disclosed instances of non-compliance (See Schedule of Findings, Recommendations and Management's Responses) which are required to be reported herein under Government Auditing Standards. In addition, the results of our procedures disclosed immaterial instances of noncompliance, which are described in the accompanying Schedule of Findings, Recommendations and Management's Responses.

We considered these instances of noncompliance in forming our opinion on whether the Authority's combined financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and this report does not affect our report dated December 23, 1996 on those combined financial statements.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 23 , 1996

**& Tervalon**

MICHAEL B. BRUNO, CPA  
ALCIDE J. TERVALON, JR., CPA  
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana

We have audited the combined financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1996, and have issued our report thereon dated December 23, 1996.

We have applied procedures to test the Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended March 31, 1996.

- |   |                               |
|---|-------------------------------|
| o Political Activity  | o Federal Financial Reports   |
| o Davis-Bacon Activity                                      | o Allocable Costs/Cost        |
| o Civil Rights  | Principles                    |
| o Cash Management   | o Drug-Free Workplace Act     |
| o Relocation Assistance<br>and Real Property<br>Acquisition | o Administrative Requirements |

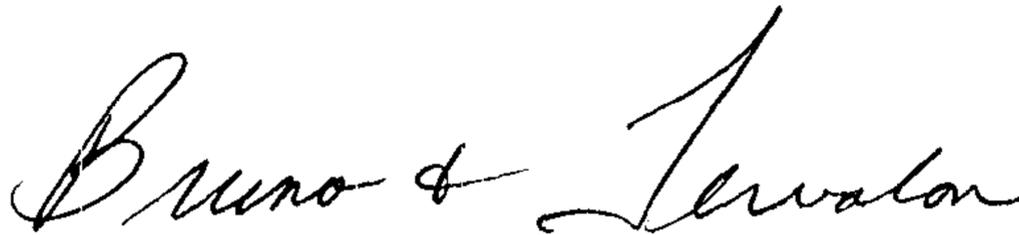
Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

(CONTINUED)

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Authority had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings, Recommendations and Management's Responses.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 23, 1996

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana

We have audited the combined financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1996, and have issued our report thereon dated December 23, 1996.

We have also audited the Authority's compliance with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort or earmarking, reporting, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended March 31, 1996. The management of the Authority is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

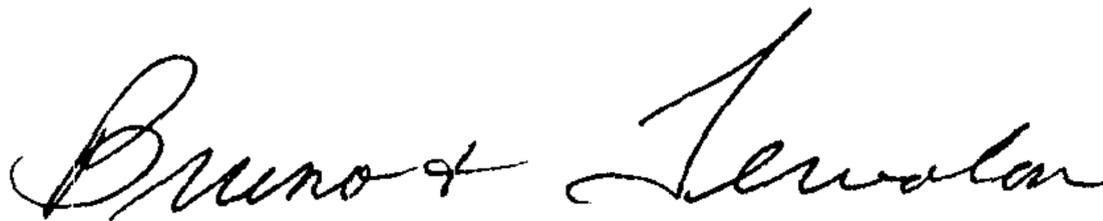
We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS  
(CONTINUED)

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings, Recommendations and Management's Responses. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Authority complied, in all material respects, with the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort or earmarking, reporting, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended March 31, 1996.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 23, 1996

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners  
Housing Authority of the City of Slidell  
Slidell, Louisiana

We have audited the combined financial statements of the Housing Authority of the City of Slidell (the Authority), as of and for the year ended March 31, 1996, and have issued our report thereon dated December 23, 1996.

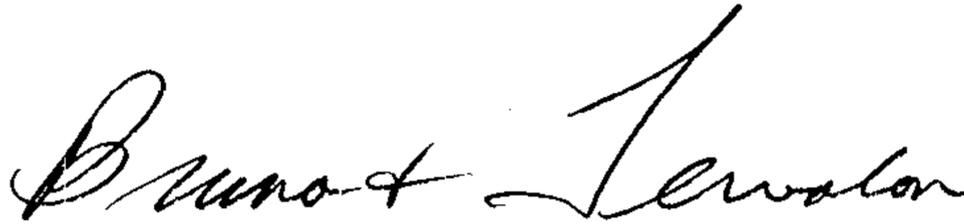
In connection with our audit of the combined financial statements of the Authority, and with our consideration of the Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended March 31, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with these requirements. Accordingly, we do not express such an opinion.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS  
(CONTINUED)

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Authority has not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings, Recommendations and Management's Responses.

This report is intended for the information of the Authority's management and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

December 23, 1996

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND**  
**MANAGEMENT'S RESPONSES**

---

**ANNUAL CONTRIBUTION CONTRACTS FW-2234 AND FW-2191**

FINDING I -	<b><u>NO DOCUMENTATION REGARDING UNIT INSPECTION</u></b>	<b><u>QUESTIONED COST</u></b>
		\$ <u>-0-</u>

Condition

Of the ten (10) tenant files tested for the various Section 8 programs, we noted three (3) instances in which there was no documentation of unit inspection performed by the Authority.

Recommendation

We recommend that the Authority review its current procedures with an aim toward ensuring the timely inspection and documentation of such inspection accordingly.

Management's Response

The Authority concurs with this finding. In November 1996, the Authority entered into a contractual agreement to perform the backlogged inspections. As of February 15, 1997, all inspections are currently updated. In addition each file will have a checklist that will denote all required file documents. The Housing Assistant Program Manager has reviewed each file and has certified that each checklist items are included in each file. The Housing Assistant Program Manager will perform quality control reviews on a percentage of the completed inspections made by the contract inspector.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

---

**ANNUAL CONTRIBUTION CONTRACT FW-2191**

FINDING II - RENT REASONABLENESS TEST

QUESTIONED COST

\$-0-

Condition

Of the ten (10) tenant files tested for the various Section 8 programs, we noted seven (7) instances in which there was no documentation of rent reasonableness performed.

Recommendation

We recommend that rent reasonableness determination be ascertained and documented in each tenant file.

Management's Response

Since October 1996, before entering into a HAP, the rent reasonableness is determined and documented for all new lease-ups. In addition, as annual re-exams are made, rent reasonableness determinations are being documented. By March 31, 1997, all files will have rent reasonableness determined retroactively and documented in every tenant file.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

---

**ANNUAL CONTRIBUTION CONTRACTS FW-2234 AND FW-2191**

FINDING III - OWNER CONTRACT

QUESTIONED COST

\$-0-

Condition

Of the ten (10) tenant files tested for the various Section 8 programs, we noted four (4) instances in which the contract with the owner could not be located.

Recommendation

We recommend that the contract with all landlords participating in the Section 8 programs be maintained in the respective file.

Management's Response

All files have been reviewed as of January 31, 1997, to make certain that contracts are signed by owners on an annual basis. In cases where a contract is not signed and in the file, the owner has been requested to come in and sign a current agreement. In addition, the owners have all been asked to provide proof of ownership, which will be kept in each file. Documentation of all owner information will be in each file no later than March 1, 1997.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

---

**ANNUAL CONTRIBUTION CONTRACTS FW-2191 AND FW-2234**

**FINDING IV - UNSUPPORTED RENT INCREASE**

**QUESTIONED COST**

\$-0-

Condition

Of the ten (10) tenant files tested for the various Section 8 programs, we noted one (1) instance in which there was no documentation to support a rental increase given to the owner.

Recommendation

We recommend that documentation to support all rental increases be included in the respective tenant's file.

Management's Response

Henceforth all rent increase will only be granted with written documentation from the owner providing the reason for the request and supporting documentation relative to that request. All determinations on rent increase will be provided to the owner in writing. The documentation from the Authority will give reasons for the approval or disapproval of any rent increase. All documentation will be maintained in the tenant file.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

---

**ANNUAL CONTRIBUTION CONTRACT FW 1128**

**FINDING V - FEDERAL FINANCIAL REPORTS**

**QUESTIONED COST**

\$-0-

Condition

We noted that HUD Form 52599 (Balance Sheet and Statement of Revenue and Expenditures) for FW-1128 due to the Department of Housing & Urban Development on May 15, 1996 was not submitted until May 29, 1996.

Recommendation

We recommend that the necessary procedures be implemented to insure that all financial reports are submitted to the applicable regulatory agency in a timely manner.

Management's Response

HUD Form 52599 (Balance Sheet and Statement of Revenue and Expenditures) are due to HUD within forty-five (45) days of the end of the Authority's fiscal year. We concur that we did not submit our last year's annual report in a timely manner, however, we will be working closely with our fee accountant to ensure a timely submission.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND**  
**MANAGEMENT'S RESPONSES, CONTINUED**

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**ANNUAL CONTRIBUTION CONTRACTS FW-2191 AND FW-2234**

FINDING VI - UNSIGNED LEASE

QUESTIONED COST

\$-0-

Condition

Of the ten (10) tenant files tested for the various Section 8 programs three (3) files contained a lease not signed by one or both parties.

Recommendation

We recommend that all lease agreements be signed by both applicable parties without exception.

Management's Response

All Section 8 files are being reviewed to ensure that all leases are in the file, leases are signed by landlord and tenant, property ownership is documented, rent reasonableness determination is present and other required documents are in the file. Each file will have a checklist that will include all of the items that are required in the files.

The Director will perform an internal audit on a sampling of all Section 8 and Low-Rent files on a quarterly basis and document any findings and make corrections, if necessary. This task will be completed by April 1, 1997.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

---

**ANNUAL CONTRIBUTION CONTRACTS FW-2234 AND FW-2191**

**FINDING VII - VERIFICATION OF INCOME**

**QUESTIONED COST**

\$-0-

Condition

Of the ten (10) tenant files tested for the various Section 8 programs, we noted four (4) instances in which there was no independent verification of the tenant's income.

Recommendation

We recommend that all tenant income be independently verified prior to disbursement of housing assistance payments.

Management's Response

The Housing Authority of Slidell will make certain that all income is independently verified. This policy applies to all programs. New applicants to the program will have as part of the application process, income verified by the Authority. Upon recertification, incomes will be verified independently.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

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**ANNUAL CONTRIBUTION CONTRACTS FW-2234 AND FW-2191**

**FINDING VIII -- UNTIMELY SUBMISSION  
OF AUDIT REPORT**

**QUESTIONED COST**

\$-0-

Condition

The Authority did not submit its March 31, 1996 audit report on a timely basis in accordance with Louisiana Revised Statute 24:513.

Recommendation

We recommend that the necessary action should be undertaken by management to ensure and facilitate the timely completion and submission of the Authority's annual audit report.

Management's Response

We concur with the finding regarding the lateness of the audit submission. The Authority will begin the process in a timely manner to solicit and enter into a contractual arrangement for all future audits. Unfortunately our current audit is being delayed due to the need for a special audit where fraud is alleged. The staff will begin the task of selecting an audit firm early enough to avoid any delays in having an audit performed and submitted to HUD, the Board of Commissioners and the State Legislative Auditor.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND**  
**MANAGEMENT'S RESPONSES, CONTINUED**

---

**ANNUAL CONTRIBUTION CONTRACT FW-1128**

FINDING IX - BUDGET OVERRUNS

QUESTIONED COST

\$-0-

Condition

Our review of the Statement of Revenues and Expenditures (HUD 52599) for the year ended March 31, 1996 revealed budget overruns in various cost classification control categories.

Recommendation

We recommend that the Authority review trends of revenue and expenses as the applicable year-end approaches and propose the necessary revisions to the approved operating budget to account for any projected budget cost classification control category overruns.

Management's Response

The Authority concurs with this finding. For the period audited, the Authority had not revised the budget to reflect actual expenses. As of this date, the Authority has reviewed our Statement of Revenues and Expenditures and our monthly financial statements. Based on our review, we have determined that it is necessary to prepare, a revised budget to reflect a true budget picture for this fiscal year. A budget will be submitted to the Board of Commissioners by no later than the March meeting for approval. The Authority will submit a budget for the upcoming fiscal year which will be reflective of our best years estimate on revenue and expenditures.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

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**ANNUAL CONTRIBUTION CONTRACTS FW-2191 AND FW-2234**

FINDING X - **AUTHORITY BEHIND IN  
ITS LEASING SCHEDULE**

**QUESTIONED COST**

**\$-0-**

**Condition**

The Authority has been allocated one hundred twenty-five (125) certificates under the Section 8 Certificate Program and one hundred fifty-seven (157) vouchers under the Section 8 Voucher Program. However, as of March 31, 1996 only one hundred and ten (110) and one hundred eleven (111) units were under lease, respectively.

**Recommendation**

We recommend that the Authority implement the necessary outreach program to attract more property owners and tenants into the Section 8 programs.

**Management's Response**

The Authority concurs with this finding. We are still behind in our lease-ups. It is the intent of the Authority to review our outreach strategy as outlined in our Administrative Plan. Efforts are being made to meet with owners of properties in the Slidell area to attract them to participate in the Section 8 Program. We have planned a briefing session for all landlords presently participating in the program, as well as potential Section 8 landlords.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

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**ANNUAL CONTRIBUTION CONTRACT FW-1128**

**FINDING XI - MODERNIZATION COSTS**

**QUESTIONED COST**

\$-0-

Condition

Our audit revealed that Modernization Cost for Project 103-902 by cost classification category as reported on the final CIAP Budget/Progress Report did not agree to the internal records of the Authority. It should be noted however that the total Modernization Cost as reported on the Actual Modernization Cost Certificate did agree to the aforementioned internal records.

Recommendation

We recommend that Modernization Cost by cost classification category as reported on all CIAP Budget/Progress Reports be supported by the internal records of the Authority.

Management's Response

Project 103-902 reflects a 1988 comprehensive improvement assistance program. We concur that those records were unavailable or missing. However, the Authority is currently keeping all records relating to the CIAP in a central file, along with the currently approved CIAP budget, expenditures and quarterly reports.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND**  
**MANAGEMENT'S RESPONSES, CONTINUED**

---

**ALL ANNUAL CONTRIBUTION CONTRACTS**

FINDING XII - **DEPOSITORY AGREEMENT**

**QUESTIONED COST**

\$-0-

Condition

The Authority did not have the required Depository Agreement (HUD Form 51999) executed with the financial institution utilized by the Authority for the disbursement of funds for its Low Income, and Section 8 Voucher and Certificate Programs.

Recommendation

We recommend that the Authority execute the required Depository Agreements with all financial institutions possessing funds on behalf of the Authority.

Management's Response

The Authority now has on file an executed copy of the depository agreement with Hibernia National Bank. The Authority will maintain copies in the appropriate file.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## SCHEDULE OF FINDINGS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES, CONTINUED

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### ANNUAL CONTRIBUTION CONTRACT FW-1128

#### FINDING XIII - MODERNIZATION COSTS - RECORD RETENTION

#### QUESTIONED COST

\$-0-

#### Condition

Included in land, structures and equipment on the combined balance sheet of the Authority at March 31, 1995 are various modernization cost related to the CIAP 1988 program year of approximately \$1,588,000. The expenditures related to these modernization costs were incurred primarily during the period March 1989 through April 1993.

Due to the unavailability of the accounting records, we were unable to review the supporting documentation (i.e. vendor invoices, contracts, etc.) to support approximately \$49,000 disbursed to vendors for the modernization costs incurred. It should be noted that these unsupported costs were incurred during or prior to the 1990 fiscal year. It should also be noted that during the period in which these funds were disbursed, all disbursements related to modernization costs together with the supporting documentation required HUD's review and approval prior to the transfer of funds by HUD to the Authority for disbursement to the applicable vendors. As a result questioned cost is \$-0-.

#### Recommendation

We recommend that all documentation to support amounts disbursed to vendors for modernization costs incurred be retained by the Authority.

#### Management's Response

We concur with this finding. The Authority has centralized all of our records, including CIAP programs. Unfortunately certain records cannot be found and therefore are unavailable. However, our master files are inclusive of all documentation pertinent to the CIAP/Modernization Programs.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## SCHEDULE OF FINDINGS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES, CONTINUED

### ANNUAL CONTRIBUTION CONTRACT FW-1128

FINDING XIV - LAND STRUCTURES AND EQUIPMENT - QUESTIONED COST  
RECORD RETENTION

\$-0-

#### Condition

Included in land, structures and equipment on the combined balance sheet of the Authority at March 31, 1996 are various development costs and related improvements of approximately \$3,429,000. Of this amount \$3,198,000 are supported only by two (2) HUD approved Actual Development Cost Certificates dated August 13, 1987 and April 27, 1988, respectively. These actual Development Cost Certificates were approved by HUD subject to a final audit of those development costs by an independent public accountant.

We were unable to review the supporting documentation (i.e. vendor invoices, contracts, etc.) to support the amounts disbursed to vendors related to those development costs incurred due to the unavailability of the accounting records dating back to the related disbursement of funds for those development costs which date back prior to the 1988 fiscal year. It should be noted, however, that during the period in which these funds were disbursed, all disbursements related to development costs, together with the supporting documentation, required HUD's review and approval prior to the transfer of funds by HUD to the Authority for disbursement to the applicable vendors. As a result questioned cost is \$-0-.

#### Recommendation

We recommend that all documentation to support amounts disbursed to vendors for acquisition/improvement of land, structures and equipment to be retained by the Authority.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

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**ANNUAL CONTRIBUTION CONTRACT FW-1128  
(CONTINUED)**

**FINDING XIV - LAND STRUCTURES AND EQUIPMENT -  
RECORD RETENTION, Continued**

**Management's Response**

The Authority concurs with this finding. Again, management has established a system that would keep all records and documentation in a central file. Additionally, the Authority's newly implemented management information system will assist in providing more accurate accounting of expenditures and making certain that it is charged to the appropriate cost category.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED**

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**ALL ANNUAL CONTRIBUTION CONTRACTS**

FINDING XV - **EMPLOYEE NOTIFICATION OF  
CIVIL RIGHTS AND POLITICAL  
ACTIVITY REQUIREMENTS** **QUESTIONED COST**

\$-0-

Condition

Our review of employees files and discussion with selected employees revealed the absence of a formal notification of Civil Rights and prohibition of participation in partisan political activity requirements as required by law.

Recommendation

We recommend that management of the Authority consider the implementation of a procedure to ensure the formal notification of all employees regarding the regulatory requirements of the Civil Rights and Political Activity.

Management's Response

We concur with this finding. The Authority has established an official bulletin board for the sole purpose of informing employees of their rights. In February, 1997 the Authority will receive technical assistance from the Louisiana Civil Service Commission on all personnel matters. Part of that consultation will involve proper and acceptable methods of disseminating information to employees.

The counseling sessions and dates of these sessions will be documented in each personnel file.



**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND  
MANAGEMENT'S RESPONSES, CONTINUED

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**ANNUAL CONTRIBUTION CONTRACT FW-1128**

FINDING XVII -	<b><u>ALLEGED MISAPPROPRIATION OF FUNDS</u></b>	<b><u>QUESTIONED COST</u></b>
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\$11,411.51

Condition

Our review of the Authority various charge cards such as (VISA, SAM's Club, etc.) reveals the acquisition of various merchandise to include deposit for a personal automobile, food, alcohol, bedding items, etc. by a former and current employee.

We are unable to determine the basis for authorization and its benefit to the Authority in accordance with allowable expenditures.

Currently, the Authority has referred the matter to the appropriate agencies for investigation.

Recommendation

Management should continue to provide the necessary oversight to minimize, if not eliminate the potential for misuse of assets.

Management's Responses

We concur with this finding. Several steps have been taken since October 1996 to attempt to eliminate the opportunity for misappropriation of public funds to include careful monitoring of monthly financial statements, monthly bills, accounts receivables and payables and bank statements by the Director. In addition, written procedures have been disseminated to staff regarding internal controls.

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## STATUS OF PRIOR AUDIT FINDINGS AND REPORTABLE CONDITIONS MARCH 31, 1996

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The prior audit report for the period ended March 31, 1995 contained fourteen (14) findings and eighteen (18) reportable conditions. The following represents a status of that comment as being resolved or unresolved.

<u>PRIOR FINDING NUMBER</u>	<u>DESCRIPTION</u>	<u>RESOLVED</u>	<u>UNRESOLVED</u>	<u>IN PROGRESS</u>
I	Lease Expiration date	X		
II	Rent Reasonableness Determination		X	
III	Owner Contract		X	
IV	Unsupported Rent Increase		X	
V	Federal Financial Reports		X	
VI	Unsigned Lease		X	
VII	Verification of Income		X	
VIII	Untimely submission of audit report		X	
IX	Budget overruns		X	
X	Authority behind in its leasing schedule		X	
XI	Modernization Costs		X	
XII	Depository Agreement		X	
XIII	Modernization costs record retention		X	
XIV	Land Structures and Equipment record Retention		X	

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## STATUS OF PRIOR AUDIT FINDINGS AND REPORTABLE CONDITIONS, CONTINUED MARCH 31, 1996

<u>PRIOR FINDING NUMBER</u>	<u>DESCRIPTION</u>	<u>RESOLVED</u>	<u>UNRESOLVED</u>	<u>IN PROGRESS</u>
N/A	Unsigned Minutes		X	
N/A	Petty Cash Count		X	
N/A	Out-of-sequence disbursements	X		
N/A	Unsupported cash receipts	X		
N/A	Untimely deposit of cash receipts	X		
N/A	Validity of Accounts receivable			X
N/A	Maintenance of Payroll Register			X
N/A	Civil Rights Awareness Program			X
N/A	Segregation of duties			X
N/A	Political Activity Awareness Program			X
N/A	Formal Procurement Policy			X
N/A	Use of Receiving Reports			X
N/A	Accounting and Computerization Capacity			X
N/A	Accessibility to Checks	X		

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

STATUS OF PRIOR AUDIT FINDINGS  
AND REPORTABLE CONDITIONS, CONTINUED  
MARCH 31, 1996

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<u>PRIOR FINDING NUMBER</u>	<u>DESCRIPTION</u>	<u>RESOLVED</u>	<u>UNRESOLVED</u>	<u>IN PROGRESS</u>
N/A	Support for Notes Payable to HUD			X
N/A	Computation of Interest Earned on Operating Resource		X	
N/A	Disaster Recovery Plan		X	
N/A	Policy and Procedural Manual		X	

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**  
**STATUS OF SECTION 8 MANAGEMENT REVIEW CONDUCTED BY HUD**  
**March 31, 1996**

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The following represents a status of the review findings based on a management review conducted by HUD on September 12, 13 and 26, 1996.

The review report also had four (4) observations.

<u>COMMENT NUMBER</u>	<u>DESCRIPTION</u>	<u>RESOLVED</u>	<u>UNRESOLVED</u>	<u>IN PROGRESS</u>
I	Conduct Rent Reasonableness Survey			X
II	Tenant file documentation			X
III	Quality control inspections	X		
IV	Quality Control Inspections	X		
V	Certificate/Voucher Programs Holders Packet			X
VI	PHA Utilization Form-HUD 52683			X
VII	HAP Register			X
VIII	Lead-Based Paint Certification			X

# HOUSING AUTHORITY OF THE CITY OF SLIDELL

## EXIT CONFERENCE

March 31, 1996

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The findings and recommendations as well as the reportable conditions mentioned in this report were discussed at an exit conference held on February 25, 1997 and attended by:

### HOUSING AUTHORITY OF THE CITY OF SLIDELL

Ms. Shelia Danzey -- Executive Director

### BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Alcide J. Tervalon, Jr., CPA -- Partner

Mr. Paul K. Andoh, CPA -- Senior Manager

**HOUSING AUTHORITY OF THE CITY OF SLIDELL**

SCHEDULE OF ADJUSTING JOURNAL ENTRIES

MARCH 31, 1996

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<u>ACCOUNT NUMBER</u> <u>FOR AUDIT REPORT</u>	<u>DESCRIPTION</u>	<u>DEBIT</u>	<u>CREDIT</u>
<u>Annual Contribution Contract FW-1128</u>			
	(1)		
4570	Collection losses	\$ 3,520	
1129	Accounts receivable		\$ 3,520
	To record collection loss.		
	(2)		
2290.10	Deferred credits	27,368.11	
3690.10	Homeless Rental Income		27,368.11
	To properly state rental income.		
	(3)		
2290.11	Deferred credits		84,995.19
3690	Other income		84,995.19
	To properly classify income.		
3690.10	Homeless Rental Income	20,277.00	
6010	Prior Period Adjustment		20,277.00
	Properly State rental income.		

Annual Contribution Contract FW-2191

NONE

Annual Contribution Contract FW-2234

NONE